

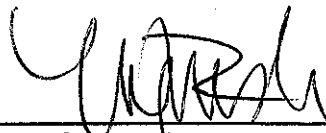


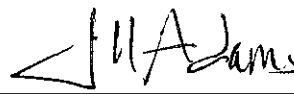
CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minute summary of the regular meeting of the City Council of Sierra Vista held on the 28th day of July 2016. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 11th day of August 2016

SEAL



Maria G. Marsh
Deputy City Clerk

Jill Adams
City Clerk

Sierra Vista City Council
Meeting Minutes
July 28, 2016

Mayor Mueller called the July 28, 2016 City Council Meeting to order at 5:00 p.m., City Hall Council Chambers, 1011 N. Coronado Drive, Sierra Vista, AZ

Roll Call:

Mayor Rick Mueller – present
Mayor Pro Tem Bob Blanchard – absent
Council Member Alesia Ash – present
Council Member Gwen Calhoun – present
Council Member Rachel Gray – present
Council Member Hank Huisking – absent
Council Member Craig Mount – present

Others Present:

Mary Jacobs, Assistant City Manager
Chuck Potucek, City Manager
Adam Thrasher, Police Chief
Ron York, Fire Chief
Sharon Flissar, Public Works Director
Matt McLachlan, Community Development Director
Victoria Yarbrough, Leisure and Library Services Director
David Felix, Finance Manager
Linda Jones, Management Analyst
Marcus Johnson, Management Analyst
Jill Adams, City Clerk

Invocation – Pastor Cecil Price, Sierra Vista Church of Christ, conducted the invocation.

Pledge of Allegiance – Council Member Gray led the Pledge of Allegiance.

Item 1 Acceptance of the Agenda

Council Member Calhoun moved that the agenda for the Regular City Council Meeting of July 28, 2016, be approved. Council Member Gray seconded the motion. The motion was approved by a unanimous vote, 5/0.

Awards and Presentations

The Mayor and Council Member Mount presented Natecia Daniels, owner of Bati' Mamselle Boutique, with a plaque in recognition as the Council's Business for the month of July, 2016.

Ms. Daniels thanked the Council for the award and stated that her shop has been open for three months and it is doing well. She is excited about the buzz that seems to be going on in the small business community in Sierra Vista and that seems to be growing.

The Mayor and Council presented David Felix, Finance Manager with the Government Financial Association Comprehensive Annual Financial Report (CAFR) Award for fiscal year ending June 30, 2015.

Mayor Mueller stated that the City has received this award for 28 consecutive years and congratulated Mr. Felix.

The Mayor and Council presented David Felix, Finance Manager with the Government Financial Association Popular Annual Financial Reporting (PAFR) Award for fiscal year ending in 2015. The city has applied for this Award 4 times and has received it 4 times.

Mr. Felix explained that the Government Finance Association is the national association that all government entities follow. They give guidance for reporting, training and they put forth an annual financial report that has to meet certain guidelines in order to get the awards. There are requirements that the bond agencies, financial people and financial analysts like to look at.

The PAFR was started a few years back to try and get the cities' finances from accounting speak into plain English so that the taxpayers could understand it. The City has applied for it for four years and has been successful four times. He thanked Mr. Midgorden and Ms. Lassich in the Public Affairs Office. They have helped him put it together so that taxpayers can see where the money comes from and where it goes.

City Manager's Report

Mr. Potucek thanked the Council and made the following announcements:

- City Council Work Session on August 9, 2016 at 3:00 p.m., City Hall Council Chambers regarding normal update, Sierra Vista Unified School District Capital Bond and proposed Procurement Code amendments;
- Sierra Vista Municipal Airport Taxi Way G&J Strengthening Project bids were opened on July 26th and there were two respondents. Granite Construction is the apparent low bidder. The responses will be submitted to the Federal Aviation Administration for potential funding. If granted, an award will be made; and
- Campus Drive and Colombo Traffic Signal Project which is being paid for out of development fee funds is now out to bid and is scheduled to open on August 9, 2016.

Public Hearing

Mayor Mueller announced the public hearing to hear comments on the Fiscal Year 2016/2017 Property Tax Levy and noted that the vote for adoption of the tax levy will occur on August 11, 2016.

Item 2 Fiscal Year 2016/2017 Property Tax Levy

Mr. Felix stated that State Law requires a public hearing on the property tax levy before voting on the final budget. There is no action to be taken at this time except to open it for public comment if anyone wishes to make a public comment. After this item, the Council will vote on the final budget and then the property tax levy in the first meeting of August.

Council Member Calhoun asked how the public would know that this is a public hearing. Mr. Felix stated that it has been posted on line and in the paper. The budget has been disclosed in the paper, as required by law, two consecutive times since the preliminary budget.

Council Member Calhoun asked how long can the public comment on this. Mr. Felix stated that the public can comment on the City's budget at any time. This is a specific legal requirement to open it for comment on the property tax levy.

In response to Council Member Calhoun, Mr. Felix explained that the public can comment on the next item and when the actual vote is done on the tax levy because any time like this it is also open for public comment.

Mayor Mueller opened the public hearing to which there were no comments. Mayor Mueller then closed the meeting to the public.

New Business

Item 3 Approval of the City Council Meeting Minutes of July 14, 2016

Council Member Calhoun moved that the City Council Meeting Minutes of July 14, 2016, be approved. Council Member Gray seconded the motion. The motion was approved, 4/1. Council Member Ash abstained since she was not present.

Item 4 Resolution 2016-050, Adoption of the Final Budget for FY 2016/2017

Council Member Mount moved that Resolution 2016-050, adopting the Operating Budget for Fiscal Year 2016/2017, be approved. Council Member Calhoun seconded the motion.

Mr. Felix stated that this is the next step in the budget process and there have been no changes from the tentative budget. As mentioned in the last item, it has been published in the paper twice as required by law. There have been no comments received by himself, the City Manager or Linda Jones, the budget analyst. Nothing has changed and it is still set at the same cap. The two items that were added to the tentative budget are still in the budget, the small business loan and enhancement.

Mr. Potucek stated that this is the final vote on the FY16-17 budget and thanked all of the members of the staff that have worked hard this year on the budget. He also thanked Council as they sat through many meetings regarding this year's budget. While he is sure that it is not perfect, he thinks they did a good job of putting it together and he appreciates it. Mayor Mueller noted that it is balanced and it is a good point.

The motion was approved by a unanimous vote, 5/0.

Item 5 Resolution 2016-051, Amendment to Intergovernmental Agreement with the Arizona Department of Revenue for the collection of transaction privilege taxes

Council Member Gray moved that Resolution 2016-051, approving the Amendments to the Intergovernmental Agreement with the Arizona Department of Revenue for the collection of the transaction privilege taxes, as identified in Attachment A, be approved. Council Member Calhoun seconded the motion.

Mr. Felix stated that last year the State Legislature underwent a tax simplification taskforce and part of the tax simplification outcome of that was that all cities are going to be remitting their taxes to the State including nonprogram cities going forward. Last year, they came up with a new agreement to reflect all of the new changes that went into the law related to the task force and the change that happened. Part of that law did allow amendments annually to the agreement depending on what has come up during the year. There are four amendments proposed and only one affects the City and it affects the City in a beneficial matter. It clarifies the fact that items under the model city tax code for rulings will have input from the cities. The

current agreement does not allow ruling and any input from the cities on the model city tax code even though the State is not bound to it. The State just maintains it.

The motion was approved by a unanimous vote, 5/0.

Item 6 Resolution 2016-052, Adoption of the Development Fee Schedule that corresponds to the Land Use Assumptions and Infrastructure Improvement Plans in Accordance with A.R.S. 9-463, and City Code 154.10-20

Council Member Calhoun moved that Resolution 2016-052, approving the revised Development Fee schedule identified on Attachment A that corresponds to the Land Use Assumptions and Infrastructure Improvement Plan reports previously adopted by Council on June 23, 2016, said fees effective October 17, 2016 in accordance with State Law, be approved. Council Member Gray seconded the motion.

Ms. Jacobs stated that over the past nine months the City has gone through the review of the development fees in accordance with the City Ordinance and with State Law. There have been a number of presentations to the Council in work sessions, working with the stake holder group and several public hearings before the Council. Last month the Council adopted the Land Use Assumptions and Infrastructure Improvement Plan which is the first step in the process. This is the final last step. The fees have not changed from the ones that were corresponded to and presented to Council at that time. They are a reduction in fees for residential housing; for a single family unit would be reduced from \$3845 to \$3226 per unit, multi family from \$2946 to \$1895 and the manufactured housing unit from \$3312 to \$2004. Those would all be reduced and all of the nonresidential development fees would be the same that they are today. No changes and no increases as a result.

Ms. Jacobs reminded everyone that these fees reflect the 75 percent of the maximum allowable fee. The balance is in the police, fire and transportation fees that are paid for by the City's construction sales tax and at the end of each year are transferred into those accounts in order to make them whole at 100 percent. These would go into effect October 17th and that is the soonest that is permitted by State Law.

Council Member Gray asked about the Oct 17th effective date as that is not part of the City's fiscal year. Ms. Jacobs stated that it is because there is a minimum number of 75 days for implementation. Since the fees were going down, rather than rounding to November 1st, staff thought that they would go right for the 75 days.

The motion was approved by a unanimous vote, 5/0.

Item 7 Resolution 2016-053, Appointment of Ethan Johnson to the Youth Commission, said term to expire July 9, 2018

Council Member Ash moved that Resolution 2016-053, appointing Ethan Johnson to the Youth Commission, said term to expire July 9, 2018, be approved. Council Member Gray seconded the motion. The motion was approved by a unanimous vote, 5/0.

Council Member Ash acknowledged Ethan Johnson. Mayor Mueller congratulated Ethan Johnson on his appointment.

Item 8 Resolution 2016-054, Appointment of Sherron L. Driver to the Commission on Disability Issues, said term to expire September 22, 2018

Council Member Ash moved that Resolution 2016-054, appointing Sherron L. Driver to the Commission on Disability Issues, said term to expire September 22, 2018, be approved. Council Member Calhoun seconded the motion. The motion was approved by a unanimous vote, 5/0.

Call to the Public – there was no response.

Comments and Requests of the Council

Council Member Ash congratulated Ms. Daniels who has a very unique store and noted that Council Member Mount's comments are correct. There is a strong community of women business owners. She congratulated and thanked Mr. Felix and team for the budget and financial awards. Council Member Ash also thanked staff members and Council for working hard to come up with a budget that is balanced and meets the needs of the community and that also did not include additional new taxes. She also thanked and recognized heads of departments and staff members who have had to live with the sacrifices of losing resources in the budget year after year and having to be innovative in creating new solutions for the community. Lastly, she is excited for the new opportunities that are present in the budget, especially those with an eye towards more economic development and addressing those issues in the community.

Council Member Calhoun agrees with Council Member Ash, especially about the budget. She would also like to encourage the community to look at the PAFR on line as well as the CAFR so that they can see what Mr. Felix said about the dollars that come in and where they go to benefit the community. She congratulated the new commissioners and Ms. Daniels. Council Member Calhoun announced the Foster Our Future event, a bizarre/raffle to benefit foster child in the community. This event has been growing and truly benefits those youngsters in the community who need support to be successful. The event is on August 5 and 6, 2016 at Kino and Madonna Hall at Saint Andrews Catholic Church.

Council Member Gray stated that she could not have said anything better than what Council Member Ash stated.


Council Member Mount echoed Council Member Ash's statements. The budget process, while at times, was a bit rough and contentious and he takes full responsibility or credit for that depending on which time those occurred. It is good for the public to see a little bit of discourse during the course of discussions in order to make sure that everybody's views are heard or at least explored. He believes that this a good budget and thinks that the City still has opportunities for next year; but this is a fair budget. Council Member Mount loves the idea that the City is betting on the businesses in this town and the City's economic development team to go out and succeed with these two provisions and also the decrease in the fees for any other development to come in. The statement that was said is absolutely true, the department heads are the ones that are going to bear the brunt of some of this; but the City has to get through the rough waters and stand up a better economy. Then that will come back and Council can reconcile to make sure that all of the services are put to the very best that the City can afford in place. That is not lost on this Council. He thanked the crowd that showed up as it is always good to see people at Council Chambers. Hopefully, the youngins are watching and getting to see something that interests them. Council Member Mount is looking forward to next year.

Council Member Ash added that Ethan Johnson, who is joining the Youth Commission, has many talents; but one that everyone should be aware of is that he has won the Cochise County Spelling Bee three times in a row.

Mayor Mueller thanked all of the young people in the audience and stated that it is great to see young smiling faces. As well as, a scout or two in the crowd to see how government is working. He also mentioned that school starts again on August 3, 2016 in the community. He encouraged people to slow down and make sure that they are aware and to think of safety while the kids are getting used to walking and riding their bikes to school because everyone wants to start the school year off on a good note.

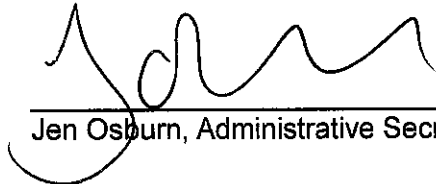
Adjournment

Mayor Mueller adjourned the July 28, 2016 meeting of the Sierra Vista City Council at 5:26 p.m.



Mayor Frederick W. Mueller

Minutes prepared by:



Jen Osburn, Administrative Secretary

Attest:



Jill Adams, City Clerk